



OFFICE OF GOVERNOR MARK DAYTON

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A Fair Tax System for All Minnesotans

Asking the Richest 2% to Pay Their Fair Share

Minnesota's tax system is broken, outdated, and unfair. Nowhere is that more clear than in the state's income tax system. Right now, the wealthiest 2% pay a lower percentage of their income in taxes than 98% of Minnesotans. Governor Dayton's tax reform proposal puts fairness back by asking the wealthiest 2% of Minnesotans to pay their fair share in taxes.

A Fairer Tax System for Middle Class Minnesotans

According to the Minnesota Department of Revenue's (DOR) most recent tax incidence study, middle-income Minnesotans pay 12.3% of their income in state and local taxes. But the wealthiest 2% of Minnesotans pay just 9.7%. Governor Dayton's budget delivers tax fairness by asking the richest 2% of Minnesotans to pay a little more in income taxes.

» **A New 4th Tier.** The Governor's budget creates a new 4th tier income tax bracket at 9.85% that will only be paid by the wealthiest 2% of Minnesotans. This new tax bracket will apply to all taxable income over \$250,000 for married joint filers and \$150,000 in taxable income for single filers.

» **\$1.1 billion in New Revenue.** This new tax bracket will solve our budget deficit and invest in property tax relief for all Minnesotans, a better education system, and crucial economic development measures to strengthen Minnesota's middle class.

» **98% of Minnesotans Will See No Income Tax Increase.** The Governor's tax proposal ensures that the vast majority of Minnesotans will pay no tax increase. Under the Governor's plan, only 53,600 of Minnesota's 2.4 million income tax payers will pay more in income taxes.

By the Numbers

12.3%	Percent of income middle class pays in state and local taxes
9.7%	Percent of income richest 2% pays in state and local taxes
98%	Percentage of Minnesotans who will see no income tax increase